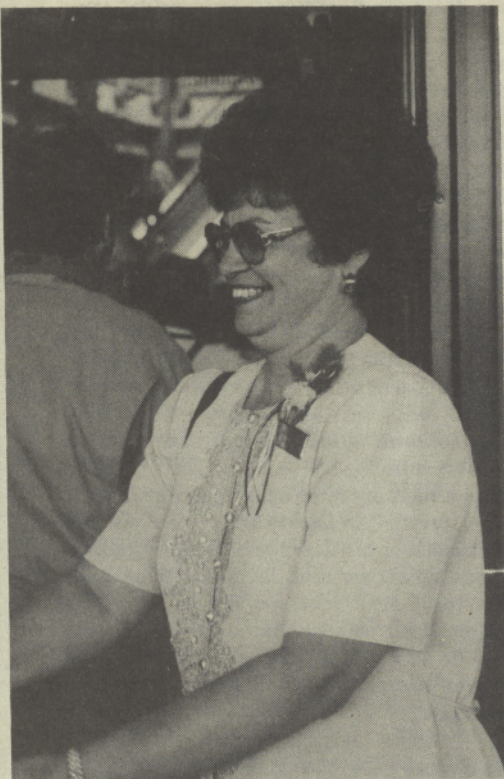


R E P O R T S



CHAIRMAN'S REPORT
Delores Pigsley

First of all, on behalf of the Siletz Tribal Council, I want to wish every Tribal Member and our friends everywhere a Happy New Year and hope you had a very Merry Christmas!

As we close 1996 and begin a new calendar year, it's appropriate, once again, for us to reflect on events of the past year and give some serious thought to who we are, how we come to where we are and about our future.

We are proud of the fact that 1996 was a year of significant accomplishments - we reaffirmed our sovereignty and re-negotiated our I.H.S. and B.I.A. Self Governance Compacts; we built and dedicated our beautiful Dance House, reaffirming our tribal heritage; and we constructed and began operating our magnificent Chinook Winds Gaming and Convention Center.

Joe DelaCruz, former president of the Affiliated Tribes of Northwest Indians and the National Congress of American Indians, a recognized national leader, our long-time friend and advocate, reminded us in his address to us on Restoration Day, that the accomplishments of the Siletz Tribe, beginning with Restoration, shows what it takes to be successful.

There are people who sit on the sidelines, being negative, always criticizing their tribal officials, always tearing down - unable to contribute any positive idea of suggestion. Whether it's Self Governance, the Dance House or Chinook Winds, one can always find something to criticize.

But true leadership, DelaCruz said, takes courage. The Siletz could not have accomplished what we have, without the vision and the courage of our tribal officials to make tough decisions and could not have made the progress we have without the support of the general tribal membership.

He referred to the need for unity - that we can't let petty politics and selfishness

weaken our tribes. Without unity, the Siletz Tribe could not have undertaken the first major step of Restoration.

Today, we face new challenges with the New Congress - a congress riddled with many congressmen determined to destroy us one way or another.

Without inter-tribal unity, especially in the anti-Indian climate that pervades Congress, tribes will have a tough time surviving and maintaining our sovereignty. As a national leader, DelaCruz knows this as well as anyone.

He said that it takes tribal leaders with knowledge and skill to work effectively with congressmen and federal officials in the same way the Siletz Tribal leaders were able to do.

During the recent general election, the tribes were united and wise in support of the Clinton administration because now, the tribes have been assured of Clinton's support. It will take the tribes working in unity to make sure that his support is there when we need it.

DelaCruz has said that tribal members should feel free to speak out on internal tribal issues but expressed within the tribe not broadcast to the public; that our internal conflicts can and often have been used against us.

As we draw closer to our own general tribal election, we need to keep in mind not to let petty tribal politics prevent us from making wise decisions.

As Tribal Chairman, I urge all eligible members of the Tribe to carefully study the issues and the candidates and vote accordingly.

And one final word - I want to express my appreciation to all members of the Tribe who were steadfast in their support of the Tribal Council in dealing with difficult challenges we faced during the past year. There are many critical challenges and decisions in the new year ahead. I ask for your continued support.

AD HOC GAMING REPORT:

By: Jessie Davis

Chinook Winds Gaming and Convention Center was six months old on January 1, 1997. The enterprise has had its growing pains. We have solved many problems but still have problems that need to be addressed. Marketing has been terribly deficient and key positions have yet to be filled. Some Chinook Winds' problems involve the construction of the facility such as the escalators and the HVAC system which still need adjustments.

Based on Chinook Winds' experiences over the past six months, some changes have been made for the better, i.e.,

- *the casino floor has been rearranged, the slots reconfigured so anyone viewing the casino floor from the lobby will have a better view.

- *a non-smoking VLT room has been created (formerly the poker room).

- *blackjack tables have been set aside for the nonsmokers.

- *an expanded Keno area is now located on the second floor balcony and the two games have

been combined into one to avoid confusion.

- *a valet station has been established outside, north of the main entrance to make attendants more accessible to guests.

- *A coat check room has been added (formerly the valet station)

- *the entertainment ticket office is now located on the main floor, adjacent to the information desk.

- *badly needed handicapped access doors have been installed but are not yet operational.

Key Managers Appointed

During the past several months, the General Manager has been actively recruiting for candidates to fill key management positions. Recently hired were the following:

Steve Mills, Director of Guest Services who came to Chinook Winds with a strong hotel, restaurant and other guest services background. Steve will be responsible for Food and Beverage, Facilities, Security, Valet Services, Gift Shop, Child Care and the Arcade.

Dave Dunigan, Director of Casino Operations, promoted from his Manager of VLTs. Dave will be responsible for Table Games, Poker, VLT, Bingo, Keno and Off-Track Betting.

Jan Rogers, Chief Financial Officer, a CPA with background in public accounting, who has worked with Fortune Five Hundred firms as an accountant and five years of experience with Indian Gaming. Jan will be responsible for Accounting, Purchasing, Cashier Cage and Management Information Systems.

Shawn Carlson, Marketing Director, most recently Marketing Director for the Sioux St. Marie gaming operations, Kewaden Casino. Shawn will be responsible for all marketing of Chinook Winds Gaming and Convention Center.

Compact Compliance Review

In accordance with the Tribe's Compact with the State of Oregon, a full on-site Compact Compliance Review was conducted during the period October 21, 1996 thru October 24th by the Tribal Gaming Section of the Oregon State Police in cooperation with the Siletz Tribal Gaming Commission.

The Review was conducted by six State Police Officers who were divided into teams of two officers each accompanied by members of the Tribal Gaming Commission and the Tribal Monitor.

The Compact issues audited included Administrative Controls, Cashier's Cage Controls, Count Room Controls, Accounting Department Controls, Keno Controls, Blackjack Controls, Gaming Device Security, Accounts Payable, → → → →